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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

OMB APPROVAL  
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SEC FILE NUMBER  
8-67995

FACING PAGE  
Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 10/01/2008 AND ENDING 09/30/2009  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: GuideStone Financial Services

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

2401 Cedar Springs Road

(No. and Street)

Dallas

TX

75201-1498

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

R. Scott Cook

214-720-4641

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Grant Thornton LLP

(Name - if individual, state last, first, middle name)

1717 Main Street, Suite 1500

Dallas

TX

75201

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

SECURITIES AND EXCHANGE COMMISSION  
RECEIVED

NOV 27 2009

BRANCH OF REGISTRATIONS  
AND

FOR OFFICIAL USE ONLY

10

EXAMINATIONS

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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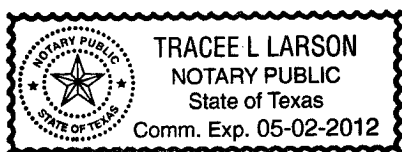
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## OATH OR AFFIRMATION

I, R. Scott Cook, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GuideStone Financial Services, as of September 30, 2009, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

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Tracee L. Larson  
Notary Public

R Scott Cook  
Signature  
Treasurer, CFO, FINOP  
Title

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**



November 24, 2009

SEC Headquarters  
Securities and Exchange Commission  
Registrations Branch  
Mail Stop 8031  
100 F Street, NE  
Washington, DC

SEC  
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RE: Annual Audited Financials for GuideStone Financial Services (CRD #148249 & SEC File #8-67995)

Enclosed with this letter are two copies of the Annual Audited Financial Statements for GuideStone Financial Services (CRD #148249 & SEC File #8-67995) for the fiscal year ending 2009.

Please contact me at (214) 720-6486 or via email at [Chad.Bailey@GuideStone.org](mailto:Chad.Bailey@GuideStone.org) with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Chad Bailey".

Chad Bailey – COO/Vice President  
GuideStone Financial Services



## Report of Independent Certified Public Accountants

Directors and Member of  
GuideStone Financial Services

**Audit • Tax • Advisory**

**Grant Thornton LLP**  
1717 Main Street, Suite 1500  
Dallas, TX 75201-4667

T 214.561.2300  
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We have audited the accompanying statement of financial condition of GuideStone Financial Services (a Texas corporation) (the "Company") as of September 30, 2009, and the related statements of operations, changes in member's equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of GuideStone Financial Services as of and for the period from June 26, 2008 (inception date) to September 30, 2008, were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated November 18, 2008.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2009 financial statements referred to above present fairly, in all material respects, the financial position of GuideStone Financial Services as of September 30, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dallas, Texas  
November 23, 2009

**GuideStone Financial Services**

**STATEMENTS OF FINANCIAL CONDITION**

September 30,

|  | <u>2009</u>      | <u>2008</u>      |
|--|------------------|------------------|
| <b>Assets</b>                                |                  |                  |
| Cash   | \$250,000        | \$250,000        |
| Prepaid expenses                             | <u>24,287</u>    | <u>-</u>         |
| <b>Total assets</b>                          | <u>\$274,287</u> | <u>\$250,000</u> |
| <b>Liabilities and member's equity</b>       |                  |                  |
| Liabilities                                  |                  |                  |
| Deferred revenue liability                   | \$ <u>24,287</u> | \$ <u>-</u>      |
| <b>Total liabilities</b>                     | 24,287           | -                |
| Member's equity                              | <u>250,000</u>   | <u>250,000</u>   |
| <b>Total liabilities and member's equity</b> | <u>\$274,287</u> | <u>\$250,000</u> |

The accompanying notes are an integral part of these financial statements.

**GuideStone Financial Services**  
**STATEMENTS OF OPERATIONS**

|                              | Year<br>ended<br>September 30,<br><u>2009</u> | Period from<br>inception<br>through<br>September 30,<br><u>2008</u> |
|------------------------------|---|---|
| <b>Revenue</b>               |   |   |
| Fee revenue                  | \$ <u>161,622</u>                             | \$ <u>-</u>   |
| <b>Total revenue</b>         | 161,622                                       | -   |
| <b>Expenses</b>              |   |   |
| Salary and benefits          | 103,847                                       | -   |
| Regulatory fees and expenses | 22,318  | -   |
| Other operating expenses     | <u>35,457</u>                                 | <u>-</u>  |
| <b>Total expenses</b>        | <u>161,622</u>                                | <u>-</u>  |
| <b>Net income</b>            | <u>\$ -</u>                                   | <u>\$ -</u>   |

The accompanying notes are an integral part of these financial statements.

# GuideStone Financial Services

## STATEMENT OF CHANGES IN MEMBER'S EQUITY

|  | Member's<br><u>equity</u> |
|--|---------------------------|
| Beginning member's equity at inception (June 26, 2008) | \$ -                      |
| Cash contribution by GuideStone Financial Resources    | 250,000                   |
| Income/(loss)  | <u>-</u>                  |
| Total member's equity as of September 30, 2008         | 250,000                   |
| Income/(loss)  | <u>-</u>                  |
| Total member's equity as of September 30, 2009         | <u>\$250,000</u>          |

The accompanying notes are an integral part of these financial statements.

**GuideStone Financial Services**  
**STATEMENTS OF CASH FLOWS**

|  | Year<br>ended<br>September 30,<br><u>2009</u> | Period from<br>inception<br>through<br>September 30,<br><u>2008</u> |
|--|---|---|
| <b>Cash flows from financing activities</b>                |   |   |
| Cash contribution by GuideStone Financial Resources        | \$ <u>-</u>                                   | \$ <u>250,000</u>   |
| Cash provided by financing activities and increase in cash | -   | 250,000   |
| Cash at beginning of period                                | <u>250,000</u>                                | <u>-</u>  |
| Cash at end of period                                      | <u>\$250,000</u>                              | <u>\$250,000</u>  |



## **GuideStone Financial Services**

### **NOTES TO FINANCIAL STATEMENTS**

September 30, 2009 and 2008

#### **NOTE A - ORGANIZATION AND NATURE OF OPERATIONS**

GuideStone Financial Services (the "Company") is registered with the Securities and Exchange Commission ("SEC") as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is currently in the application process to become a tax exempt, Texas not-for-profit corporation organized under Section 501(c)(3) of the Internal Revenue Service Code. It is a non-stock company with a sole member, GuideStone Financial Resources of the Southern Baptist Convention ("GuideStone") that elects the directors of the Company.

The Company's application was approved by FINRA, with an effective date of April 7, 2009, to operate as a fully disclosed, introducing broker-dealer. The Company solely engages in the sale of mutual fund securities, on a subscription basis only, through a transfer agency. As a result, the Company is exempt from Rule 15c3-3 of the Securities and Exchange Act of 1934, under paragraph (k)(1) of that Rule.

The investment company securities to be traded by the Company will exclusively consist of shares of the GuideStone Funds family of registered mutual funds ("the Funds"). The Company will offer the Funds shares through retail accounts, Individual Retirement Accounts ("IRAs") and institutional accounts maintained with the transfer agent.

#### **NOTE B - BASIS OF ACCOUNTING**

The accounts of the Company are maintained on the accrual basis of accounting.

#### **NOTE C - USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **NOTE D - RELATED PARTY TRANSACTIONS**

##### Shared Expense Agreement

All operating costs and expenses of the Company are incurred by an affiliate, GuideStone. The Company's expenses, in accordance with an executed Expense Sharing Agreement, are borne by or reimbursed by GuideStone. Also, as part of this Expense Sharing Agreement, GuideStone provides certain offices and personnel.

## **GuideStone Financial Services**

### **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

September 30, 2009 and 2008

#### **NOTE D - RELATED PARTY TRANSACTIONS - Continued**

##### Fee Revenue

The Company receives fee revenue from GuideStone in accordance with an Internal Fee Agreement. In accordance with the agreement, the Company provides services to GuideStone through its operation as a broker/dealer. Revenue is recognized when earned.

#### **NOTE E - NET CAPITAL REQUIREMENTS**

The Company is a member of FINRA and is subject to the SEC's Uniform Net Capital Rule ("Rule 15c3-1"), which requires the maintenance of minimum net capital. The Company is required to maintain a minimum net capital, as defined, equal to the greater of \$5,000 or 1/8th% (effective for first 12 months of FINRA membership) of aggregate indebtedness. As of September 30, 2009, the Company had net capital of \$225,713, which exceeded the minimum requirement of \$5,000 by \$220,713. At September 30, 2009, the Company had aggregate indebtedness of \$24,287. Aggregate indebtedness as a percentage of net capital was 11% at September 30, 2009.

#### **NOTE F - CONCENTRATION RISK**

Cash is comprised solely of cash on deposit in accounts with depository institutions. The Federal Deposit Insurance Corporation ("FDIC") insures accounts up to \$250,000. At September 30, 2009, the cash balances did not exceed the federally insured limit. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk. The Company is engaged in various trading and brokerage activities with PNC (formerly, "PFPC Distributors") their transfer agent. In the event the transfer agent does not fulfill its obligation, the Company may be exposed to risk. It is the Company's policy to review and monitor, as necessary, the adequacy of the control environment at the transfer agent. The Company has not experienced any losses as it relates to transactions with this transfer agent.

#### **NOTE G - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 23, 2009, the date that the financial statements were available to be issued. All subsequent events determined to be relevant and material to the financial statements have been appropriately recorded or disclosed.

## SUPPLEMENTAL SCHEDULE

## Schedule I

### GuideStone Financial Services

#### COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION

As of September 30, 2009

|  |                  |
|--|------------------|
| Total member's equity from the statement of financial condition                | \$250,000        |
| Deductions and/or charges - nonallowable assets                                |                  |
| Other assets   | <u>(24,287)</u>  |
| Net capital before haircuts  | 225,713          |
| Haircuts on securities positions   | <u>-</u>         |
| Net capital  | 225,713          |
| Net capital requirement (larger of 1/8th of aggregate indebtedness or \$5,000) | <u>5,000</u>     |
| Excess net capital   | <u>\$220,713</u> |
| Aggregate indebtedness   | <u>\$ 24,287</u> |
| Total member's equity from the statement of financial condition                | <u>\$250,000</u> |

#### RECONCILIATION WITH COMPANY'S COMPUTATION

There were no material differences in the computation of net capital under Rule 15c3-1 from the Company's computation.



**Report of Independent Certified Public Accountants on  
Internal Control Required by SEC Rule 17a-5**

Directors and Member of  
GuideStone Financial Services

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In planning and performing our audit of the financial statements of GuideStone Financial Services (the "Company"), as of and for the year ended September 30, 2009, in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants, we considered the Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the U.S. Securities and Exchange Commission ("SEC"), we have made a study of the practices and procedures followed by the Company, including consideration of control activities for safeguarding securities. This study included tests of compliance with such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications and comparisons, and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP). Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of significant deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected on a timely basis.

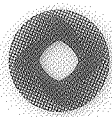
Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control, including control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at September 30, 2009, to meet the SEC's objectives.

This report is intended solely for the information and use of the directors, member, management, the SEC, the Financial Industry Regulatory Authority, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered broker-dealers, and is not intended to be and should not be used by anyone other than these specified parties.



Dallas, Texas  
November 23, 2009



Grant Thornton

# **GuideStone Financial Services**

**Financial Statements and Supplemental Schedule**

**Pursuant to Rule 17a-5 of the**

**Securities and Exchange Commission**

**For the Year Ended September 30, 2009**

**With Report of Independent Certified Public Accountants**

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